

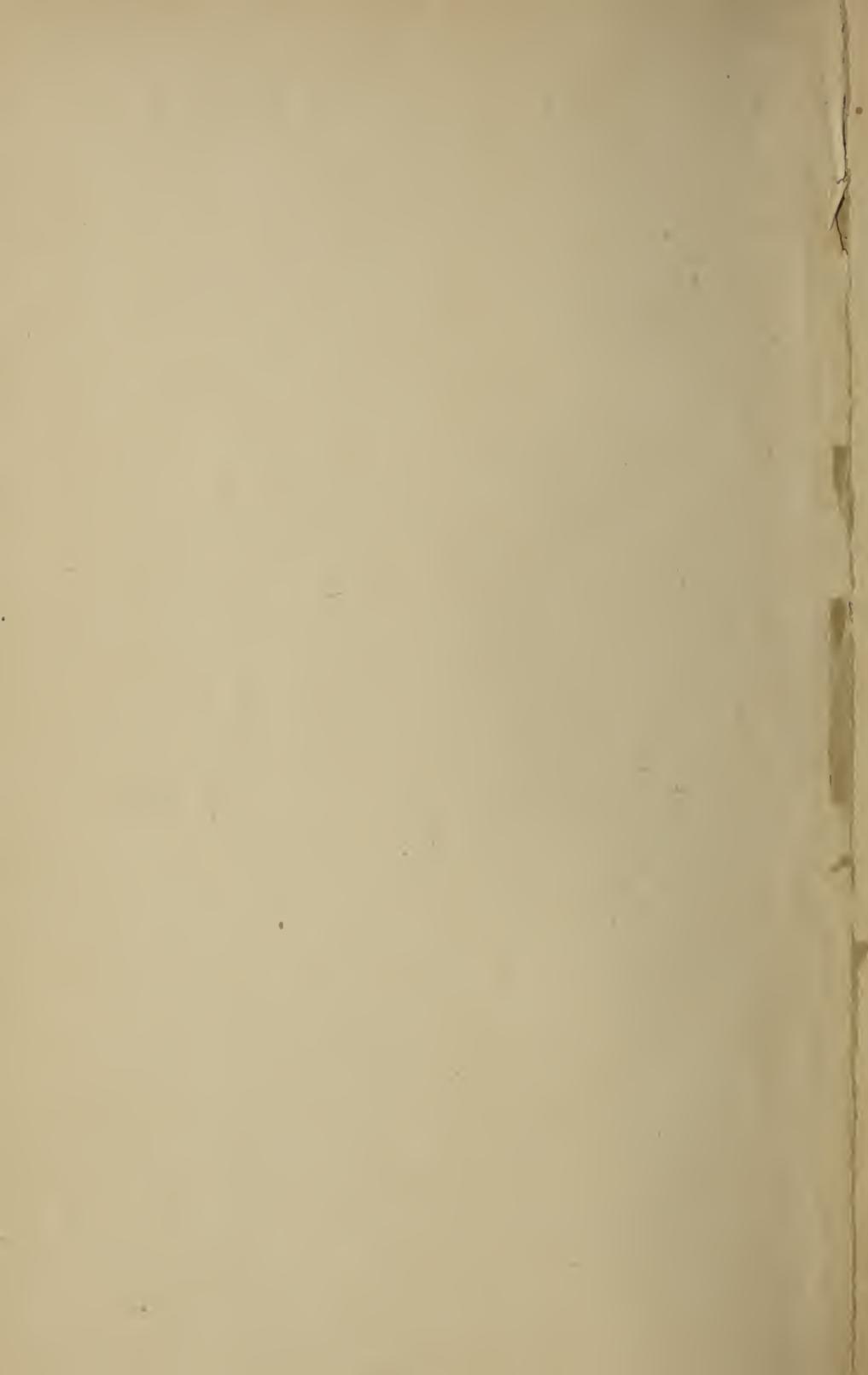
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LABOUR AND ECONOMICS

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LABOUR AND ECONOMICS



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BY

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HIGH SHERIFF OF MONMOUTHSHIRE [1912]

Managing Director of
THE EBBW VALE STEEL IRON AND COAL CO., LTD,

READ BEFORE

THE NEWPORT LITERARY SOCIETY

FEBRUARY 18TH, 1913

T. E. WATSON, Esq., J.P., Chairman
(Now SIR THOMAS WATSON, Bt.)

LONDON

ELKIN MATHEWS, CORK STREET, W.

1918

NOTE

The Reader is entitled to differentiate between the "so-called" Labour Leader alluded to in the Paper, and the recognized Trades Union Leader, for whom the Author has a profound admiration.

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Preface to Second Edition

SOME five years ago I ventured to put into a paper before a Literary and Scientific Society my then observations on "Labour and Economics." Being curious to see how they "panned out" during the war, I re-read them, and thought them suitable for re-printing, without alteration.

It may be these views are of sufficient interest to command a limited sale, and if so, I shall be happy to ask Mr. Elkin Mathews to forward the whole of the price of each copy to the Red Cross Society.

FRED. MILLS.

EBBW VALE,
May, 1918.

Preface to First Edition

SIR,—In responding to your invitation to read a paper before the Newport Literary Society, I recognise that in choosing the subject of Economics and Labour, I am discussing a condition of Society that is ever changing.

Adam Smith is out of date ; Ruskin settled his fate. Take up almost any modern work on economics and you will pick holes here and there in the light of knowledge denied to the author of it. In fact, economics, like all other sciences, can only be expressed in the light of experience, of trial and error, and it is therefore with some diffidence that I venture to give expression to views which may be out of date in a few years time, and which may even be wholly inappropriate to-day.

At the same time the subject is one of engrossing interest to any one who, like myself, has been in close daily contact with

large numbers of working men and their families; who knows something of their hopes and their fears; their aspirations and requirements; but I am free to confess I have found the preparation of the following remarks most difficult, the tendency being to attempt to cover too much ground. The following remarks are not therefore intended to be exhaustive—they leave unnoticed many important subjects, but they do attempt to deal with some of the things that matter.

All the great political parties in our country are, I believe, endeavouring honestly to correct evil tendencies, which characterise our age in common with others, and no better evidence of this honesty is to be conveyed, I think, than by the fact, that it is very seldom that a social Act of one or other of the great political parties is repealed or amended, except perhaps in the direction of extension and improvement.

If these acts and tendencies were moving along lines that would be desired by the writer and some others, I should not have ventured to address you, but as I believe a great many of the tendencies of the present moment; a great many of the speeches by

politicians of all kinds, are possibly unconsciously (certainly I am prepared to believe unintentionally) vicious and contrary to the best ultimate interests of the nation, I am venturing to discuss so difficult a subject.

But before I do so, let me make it clear to my present audience I am not in this paper making attack on Trade Unionism as such, nor on any individual nor upon those who may come under my criticism and who may happen to be Trade Unionists. My views on Trade Unionism are sufficiently well known to those concerned with them. I am criticising a modern train of thought, which I believe to be mistaken, to use no stronger term. Throughout this paper therefore I allude to the opponents of my views as "the so-called Labour leaders"—I can name them and quote them, if necessary.

History of Industrialism

In order to arrive at a reasonable appreciation of the problem it is necessary, as well as interesting, to sketch quite roughly the history of industrialism so far as it affects our own country, and countries similarly constituted.

Specified industries probably had little or no existence before the time of King Alfred, except that inasmuch as there was always more or less fighting on hand, some artisans were probably more or less continually occupied in the manufacture of arms, but the ordinary husbandman and cottager—the villein as he was called in those days—performed all his own domestic occupations and produced all his personal requirements by himself, or with aid of the several members of his family. Thus, with his patch of ground, the unit of population a thousand years ago in this country sowed and reaped his own corn, ground his own meal, and no doubt his

good wife made him excellent wholesome bread. Between them the family sheared the wool from their own sheep, and made their own clothing, which was no doubt warm and comfortable, possibly even fashionable. For the rest, he was no doubt a bit of a hunter; there was probably, generally the prospect of a “scrap,” either with the hardy Norsemen, or other foreign intruder. His spare time, we can imagine, was taken up in the practice of arms; for in those days, and indeed for long after, it was a disgrace for a man not to be skilled in the use of arms, and on top of all this the comparatively recent introduction of Christianity into the land gave him new thoughts as to the aim and end of his existence.

I have sketched this existence, because it is the normal condition of mankind. In all probability for countless years before the period of my sketch, for which we have material for the making, some such existence had been the common lot since man gradually emerged, with the development of his brain, from his former state.

Development of Trade

It is an important point to observe that in the development of industry, trades became concentrated. The man who found himself apt in making a coat became a tailor, and so by degrees the town that contained two or three specialised tailors became noted for tailoring and so forth, whilst the State, whether it be the early King, or the later King and his Parliament, or the later Parliament without its King, whether of the seventeenth or the twentieth century, makes little or no difference, but has always regulated and controlled the subject in the pursuit of his industry, whilst at no time, from the days of King Alfred to the present, has there not been a system of duties or taxes applied to a greater or lesser degree in respect of articles of import, export, and even trade between towns or townships in this country, and the State has always intervened to control or direct the manner in which industry has been conducted.

This concentration of skill amongst certain individuals and in certain districts continues to this day, but in its simpler form continued

to the middle of the eighteenth century, and it is a noteworthy feature that from the time of King Alfred (whatever may have been then the population of these islands) to the time of the first George, the population increased at a comparatively slow rate.

It is estimated that at the time of Queen Elizabeth the population of the country did not exceed 5,000,000 souls (Froude). The spacious days of Queen Elizabeth is indeed a very accurate description. Up to that time we had been a military nation, for so far from our having acquired our seamanship, as many people imagine, from the hardy Norsemen, we had almost forgot such seamanship as we ever knew when Elizabeth came to the Throne. True it is that Henry VIII had by the aid of the City Merchants, commenced the building of a fleet, but it lay rotting in the dockyards when Elizabeth came to the Throne, and it was not until later in her reign that by the somewhat doubtful methods of our Devonian and Cornish cousins across the Channel, and by a series of adventures to which a modern writer might be disposed to apply a harsher terminology, there were laid the foundations for that navy which proved

to be of such value when Philip II thought to make England a vassal of Spain.

Growth of the Nation

Troubles and civil wars ensued, and so kept back the development of the country, and by the time the country got settled down again, in the time of George I, the modern industrial development commenced, for, as a famous novelist would say, “then a strange thing happened.” The invention of James Watt did for industry what the discovery of printing did for knowledge, and man began to lose his characteristic of an independent worker by the introduction of steam and steam-driven machinery. During the process of developing that machinery another twenty-five years had passed away, as well as 3,000,000 or 4,000,000 of men in order that the meteoric flight of the Emperor Napoleon through the pages of history might be accompanied by sufficient scintillation, but the process of harnessing steam was, notwithstanding, going on quietly all the time; and by the end of the Continental Wars in 1815 the population of this country had only reached 16,000,000.

Thus from 1558 to 1815 the varying conditions of the country had only permitted the growth of a population of 16,000,000 in these islands, as the result of a thousand years of manual industry, or about 3,500,000 per century; whereas in less than 100 years afterwards we have now a population of over 45,000,000, or three times as many, an increase of about 30,000,000 per century, with a possibility of a vast increase (although nearly stationary at the moment), because some Continental countries are even more thickly populated than our own. Is it wrong therefore to assume that the large increase in the population in this country is mainly the result of mechanical industry, and that by a continuance and development of mechanical industry alone can this vast population be maintained, improved, and increased?

Thus, whether it be for good or for evil, (I am not called upon to express an opinion) here we have to-day, with a possibility of having to a greater degree, an enormous concourse of people dependent upon mechanical industry for their daily existence. Are they happy under it? Are they doing the best they can under the circumstances? Are employers of

labour doing all that they should? Are the governing classes looking at the matter from a sufficiently broad gauge point of view, and, in short, do we think of it as a whole at all, and if so, do we take a sufficiently broad and comprehensive outlook?

For good or ill, the day has gone for ever when a man shall tan the hide of his own beast and make himself footwear; when he shall till his own ground and make him bread; when he shall shelter himself from the elements in the cleft of the rock or build himself a rough structure amongst the heather. He is now dependent on others for most of his daily needs and comfort.

Human Machines

To-day you have a more or less healthy man living in number 1,499 of a street; the house is precisely the same dull grey structure as all the rest of the two thousand in the same street, or of the ten thousand in the adjoining streets, unlovely in the extreme. It is close to the main road, separated it may be by a few feet of pavement; the mud of the street is carried into his house; there is no ground

to speak of attached to it. In his employment the man is perhaps doing the thousandth part of making one thing. If it be true that it requires 136 men separately occupied to make a boot (Dixon), how many thousand does it require separately occupied to make a locomotive or other complicated piece of mechanism? How can we, therefore, expect a man to take more than a mechanical interest in his daily occupation, which, unless he be employed in the conveyance of materials, requires him barely to move a yard from his station (meaning working-place); to keep his eyes within a very limited range of vision, and almost requires him to cease thinking. He is a human machine, and must of necessity be one. Work nowadays, as a rule, is not even hard from a physical point of view, but in another sense the world has never seen work so exacting as it is to-day. The legislature has—very properly in my judgment—enjoined that men so employed shall not be employed so long at a stretch as in the days when men's occupation was in itself interesting. What does our friend who lives in No. 1,499 do by way of recreation? As a rule he has no garden, no ground to speak of;

he cannot even sit out at his front door and contemplate the events of the day as his forefather could. Certainly he goes in crowds to a football match, because one of the modern characteristics of our countrymen is that he prefers to watch any game rather than play one himself. History repeating itself you observe, for attendance at games was one of the later characteristics of the people of the Roman Empire. As in that period too, our legislators in their efforts to please the masses, have gone past promising an awning to the Coliseum, but like their predecessors are promising free this, that, and the other, and the more they promise the more they find is required of them until, like the Roman Empire, if this method be continued, the structure must collapse. It seems to me if the State could rather inculcate a spirit of self-respect and self-reliance it would be better for the nation.

Capital and Labour

Having described briefly what our system is, and how it developed, let me for a moment discuss the relationship of the capitalist and

the worker, and here let me first observe that, judging from the published speeches of many “so-called” Labour leaders, much misapprehension exists on the subject, whereby much mischief is occasioned.

Why these senseless and mostly meaningless attacks on capitalism as a system and capitalists as a class? As a rule the latter is quite a small man, who starts off the same level as the working man, and by his own unaided efforts becomes a capitalist; that is, usually either directly or indirectly a shareholder in a limited liability company.

He, most excellent man, is at once, in the abstract, branded as a “blood-sucking capitalist.” He may even exist in the form of a Labour leader holding £50 in the local gasworks, and yet has to be so described.

If this were the only result of the campaign it could be ignored, but unfortunately it results in men’s passions being aroused to such a pitch that stoppages of work—from local and sectional to national—are brought about.

Again, if stoppages of work did any good to the workmen involved, this tirade might be ignored, but it is quite clear that the evil and inevitable effect of such stoppages must

fall on the poorest of the community, and not on the richest, and why? Simply because capitalism is a SYSTEM so widely spread over the community; and whilst the shareholder performs functions absolutely necessary to the system, he is individually small and unimportant. Let us look at it! What is Capital?

Capital is the surplus left after labour has been paid, and Capital has secured its return or interest; without capital, labour cannot be employed; without labour, capital becomes stagnant. Labour cannot afford to wait for its reward; capital can, and frequently does, but during the period of waiting, healthy and willing development is impossible. Capital can be more easily exported to another country than labour, or any other commodity.

The Workers' Share

We hear it frequently said that the worker does not get a fair share of the proceeds of industry. The answer is simple and negative; he does, but does not keep it. He starts off with a wrong impression, that it is impossible for him to become a capitalist. He gets the

lion's share. By way of example, the capital of the Ebbw Vale Company is £750,000; On this a dividend of 5 per cent. requires £37,500. The labour employed receives £750,000 (an amount equal to the capital) to £1,000,000 annually, as it does at present, or at least twenty times as much. If labour received in addition to his wages all that the capitalist gets, he would only receive 9d. in the pound additional wages, equal to an advance of $3\frac{1}{4}$ per cent., but with unremunerated capital, stagnation would follow, and the worker would soon be without wages at all!

This is an important matter, often overlooked, often misunderstood, most often misrepresented; and as my instance is typical of most industries, let me put it differently:—

Twelve hundred individuals of quite modest wealth, put up amongst them capital, which, amongst other things, pays them £31 a year apiece, at the same time giving employment to 10,000 men, who receive £100 a year apiece. If all that the capitalist gets be given to, or be taken by the workmen, they would get £103 15s., or only about £3 15s. more per annum apiece, for which they have

rendered no service, leaving the shareholder nothing for the service he undoubtedly renders.

Let me turn it round and put it still another way, if instead of attacking the capitalistic system and branding capitalists as rogues and thieves, some 1,200 "so-called" Labour leaders could, for a remuneration—not over certain, mark you—of 12s. 6d. a week apiece (the remuneration of the Ebbw Vale shareholders) establish such an industry, and by it employ 10,000 workmen, thereby circulating from £750,000 to £1,000,000 annually, they would surely be performing a real service to the community not to be described in terms of reprehension I imagine; they would see to it their services were duly appreciated. I hope to live to see the attitude of such men towards capital and enterprise completely changed.

My critics may, however, say something like this:—"Your capitalistic shareholder has also his own source of income, he does no work *qua* shareholder, and it is only by squeezing the worker ("sweating the blood out of him," I think is how my critic describes it), he is able to produce a return for

him. Undoubtedly the capitalist pays no higher wages than he is compelled by the worker, and is permissible by competition, and the worker exacts as much as he can from the capitalist, but I reply that the wages given above is an AVERAGE; several of the workers receive as much as £500 a year, and although the average for all the workmen may be about the same for ten years, the individual earnings of the skilled worker tend, or should tend, to increase from year to year. Thus he starts as a boy at a few shillings a week—counted, mark you, in the average—he can rise, and does rise to the £500 mark, which he may, and does enjoy for the rest of his working career.

The Aristocracy of Labour

There is such a thing as aristocracy in labour, just as exclusive and just as jealously hedged in and guarded, as another aristocracy much more freely discussed. Up and down the country there are hundreds and thousands of workmen who receive wages varying between £150 and £600 a year: it is to these, to begin with, my remarks are addressed.

There are in this country too few reliable skilled workers and too many unreliable unskilled workers, or labourers; but it is not within the scope of this present paper to discuss the reason for this, rather I wish to point out to those on the £150 mark or over—or even under in many cases—how they can improve their position. To continue my argument.

We are sometimes misled by statistics. We may imagine that because our revenue from taxation, and our sum total of imports and exports, commonly known as trade returns, are both expanding, that the trade of the country is good. So it may be within limits, possibly smaller limits than most of us imagine. On the other hand not only statistics, but observers of public movements, tell us several somewhat remarkable facts. First that the average real wages in this country have not advanced during the last ten years. That our railway system has ceased to be expansive. Our population is stagnant. That whilst in good times, like the present, regular workmen are in receipt of regular and good wages, there is still a very large mass of floating population under casual employment or with

none at all. It is stated, no fewer than 200,000 persons have applied for out of work pay under the new Insurance Act, whilst some 250,000 persons are annually leaving our shores, most of them of necessity.

Have we come to the end of our greatness as a manufacturing nation, or are we marking time to take stock of our position? The present author is rather disposed to think that we are taking stock of our position; we are talking it over, perhaps not very quietly at times, but we will get at the facts eventually.

There has been a great movement of thought, in my judgment altogether in a wrong direction during recent years, a movement which is usually associated with some form or another of Socialism, none of which can be counted as true Socialism.

It is worth while to examine the capitalistic system under which large masses of population live all over the civilised world, and which, though inevitably not perfect, is probably to exist for many centuries to come, and contrast it with true Socialism, which is the only other possible alternative, because no half-way house can be of any possible service, and we

shall discover some of the inaccurate reasoning which is causing so much unrest, disturbance loss and disappointment.

Basis of Modern Civilisation

True Socialism is akin to Communism, where every man is counted equal, and has not, and cannot have, the wherewithal to make him superior in any shape or form to his neighbour ; that is to say there must be no personal property. The population must be small enough and the country and provender large enough for every man to take that which is doled out to him, whether he likes it or not. If he impinges upon another man's supposed rights, it is open to him, or the other man, to effectually settle the dispute there and then without question asked ! In short, we must return to that state of society which existed in this country thousands of years ago, but which can be matched to-day in pretty accurate manner if my audience will accompany me to a spot in Russian Lapland which I have myself visited, and see men and women living in such a state of existence. Men, women, and children, living in rude

huts on the bank of a river; they had no use for money because there was nothing to buy. No roads, no railways, no shops, no schools, no books, nor newspapers; in fact, I can leave it to the intelligence of my audience to imagine the rest, but that is the only alternative to industrialism.

As I have said, there is no half-way house. If you admit the necessity for either the State, a number of individuals, or a single individual holding property, you at once admit the basis of modern civilisation, and whilst much can be done to reform, regulate and control that society, it is impossible to do away with the great inequalities which have always existed, which exist to-day, and which will exist in greater degree as time goes on, because they are inherent in development and advancement.

No one will be disposed to deny that amongst the earliest expressions of the rights of man, he who gave the most commanding utterance was Jean Jacques Rousseau, who wrote about the time when Frederick the Great was laying Europe in waste. He, Rousseau, said: "Man is born free but is everywhere in chains." He also said: "That

the foundation of society was the liberty to hold property without disturbance." If one who was so insistent on the rights of the lowest born to live his own life in accordance with his own ideas, was compelled to admit the right of every man to hold property, it seems to the writer it would save a great deal of unnecessary discussion and disappointment if we took that right as the starting point for further discussion for it has not hitherto been shown that anything else is practicable.

At the present moment there is a very strong tendency on the part of many eloquent and persuasive speakers to deny the right of certain people to hold certain property, admitting either by silence or by definite expression the right of certain other people to hold certain other property, though always assuming that they have and intend to hold what they themselves have or can get. Thus it is wrong for a landowner to own land ; it is almost wrong for a man to own a motor car. In some circles it is almost a crime for a man to live in a house containing more than seven rooms, whilst at the same time it is right for another man to own a kitchen clock, or the prescriptive right to a certain job, without

disturbance for as long as the man, and not the employer, desires, and so forth.

I am unable to differentiate between the possession of land, and the possession of a kitchen clock. I don't happen to possess either. (I have apparently since acquired a specimen of the latter). If you once admit the right of personal property I cannot see how you can restrict the kinds of property. It has yet to be proved that the State, in any of its forms, is likely to prove a better landlord, or employer, than a private individual. My personal inclination, as well as my experience, is towards the average individual, because he can, and does, develop and progress, which the State, having no soul, no heart, and no personal initiation, can never do.

The Workers' Real Want

If I may venture upon giving expression to what 90 per cent. of working people do really want, it is this. He wants regular work at a fair rate of pay; he wants to have removed as far from him as it is removed from the higher classes, the possibility of being without employment, and without pay. He wants a

good house for himself and family to live in without the necessity of sharing it with other people; he wants light; he wants time for recreation, and means to employ suitably—if not always profitably—his leisure hours.

Many so-called leaders of public thought, widely awake to what I have described, and seemingly unable to suggest any other remedy, are advocating a vicious policy of complaining of the success of part of the community, deprecating the right of him who has carefully, and by vast labour, industry, and self-denial, secured position and property, and seeking to take from him that which he has, and give it to others, who by similar application might have had, but who have it not. It has not quite come to that, but can anyone doubt the tendency?

Should we not endeavour rather to stimulate a spirit of emulation, and not spoliation? It grieves me to read the speeches of men who have got into a habit of seeking to pull things to pieces, to tumble things down. It is so easy, by removing a few bricks, to fell the tallest stack, which has required so much labour and time in its construction. Would it not rather be better to try and raise the

level of those that are down, rather than sink the level of those who are up?

Luxuries—Necessities

The expression is ascribed to Lord Beaconsfield that “the luxuries of the one age become the necessities of the next,” and it is well to get a correct appreciation of quite what this phrase means.

The older members in my audience will distinctly remember the time when a bicycle cost them £25 to £35, and was considered a luxury. In due course the bicycle has been so modified, and by the introduction of brains and skill, so improved that the working man of to-day can easily afford to purchase a much better bicycle for purposes of necessity than his predecessor was able to purchase as a luxury. Yet we remember the bicycle was objected to; it was considered a nuisance on the roads. The papers were full of letters complaining of the introduction of this hideous monster, at once a danger and a pestilence. In less than a generation mankind has assimilated the bicycle as part of his existence, but I wish to point out that

but for the possibility of certain people acquiring a bicycle as a luxury, this amenity of life would not have been available. The same process is going on in the matter of motor-cars. The younger members of my audience will here be able to bear testimony to the fact that a very few years ago a motor-car had to proceed along the main road preceded by a man bearing a flag! No doubt they have been, and to some extent still are, a great nuisance to the general public, but even at this short distance of time, with the very new introduction of the cycle car, a means of conveyance has been provided which for the moment is a luxury, but I venture to think will shortly be a necessity quite as much as the more humble bicycle.

These two instances merely bear out the workings and results of all the great modifications which at one time have been regarded as luxuries, but which in due course have come to be regarded as necessities. In point of fact the working men of to-day, and their families enjoy many advantages and comforts denied to kings and queens two or three hundred years ago.

It is on this reasoning that I base my

criticism of unthinking people objecting to this, that, and the other, either because it is a luxury, or because it is new. In my view let the man with money expend it in the direction of some fancied luxury, aeroplanes, and such-like for present example, and in due course the generality of mankind will make something useful and necessitous out of it, if it bears the germs of usefulness in it. That way progress lies!

Advancement in material wealth, like the advancement or development of the human species, is of necessity of slow growth, but though slow it is sure. Indeed, so slow is human change, that if a dozen men and women, who lived 4,000 years ago, adopted our clothing and combed their hair, they could pass unnoticed from the point of view of appearance, into this audience to-night! We should always remember that whilst a class may be apparently stationary, the individuals composing that class are far from stationary. They are either advancing or retrogressing. The many advance, the few the contrary, and this like nature's working, is inevitable and unalterable. Let us help to regulate it rather than seek to deter it.

No Encouragement for Thrift

The great mass of men in this country are being taught to relinquish their individuality and identity. You may read a hundred speeches by “so-called” Labour leaders without finding a single trace of any advice that the working man shall do his duty to his employer. There is a great deal about his duty to his brethren and to his own family, but nothing in regard to his employer, or to those who do not happen to be of his particular brand of Trade Unionism. You very seldom see any observation on the subject of intemperance; still more seldom any encouragement to exercise thrift; in point of fact it is considered unpopular on the part of working men in certain districts to save money, and this, in my judgment, is one of the most fatal blunders that can possibly be made. We all know how difficult it is to save the first pound, or the first ten pounds. It is in that direction that the working classes—I mean those who are employed at reasonably good wages—can hope honourably to acquit themselves without coming as semi-paupers on the rest of the community, as

they are being invited to do. Again, our working classes are being taught to repudiate agreements. Such teachers would do well to review the history of their own country. They would find that the characteristic which has put Englishmen (and by Englishmen I mean people of the English speaking race) in the forefront of commerce, of honourable repute, and of progress, has been their known regard for their word, which has usually been held to be as good as their bond. I cannot too strongly deprecate this recent innovation of seeking a momentary advantage, because that is all it can possibly amount to, at the cost of a reputation for honourable straightforward conduct, and whilst on this subject I would suggest the desirability and the necessity for employers of labour, when advantage comes their way, not to unduly press it home. It is inviting disaster to press a grievous burden upon the working classes simply because the occasion renders it easy. Repudiation is almost sure to follow if the bargain be driven too far and becomes onerous.

Where our Education Fails

A word, and only a word, on education. Mr. Walter Dixon has read an address before the West of Scotland Iron and Steel Institute, in which he has given utterance to a sentiment which has attracted a great deal of attention :

Is it any use educating to the extent, and in the manner we are at present attempting, say 90 per cent. of the youth of our country?

If you put a hundred youngsters in the hands of a surgeon for three months, he would be able to tell you which were likely to be more fitted for brain culture than the rest. Individually, parents would think nothing of obtaining the opinion of their medical adviser as to the future prospects of their sons, but they would at present resent the State or any public authority attempting to differentiate between their sons and the sons of their neighbours. I venture upon the assertion perhaps frequently made, but I desire to emphasise it, that we are beating the air and ploughing the sands, by

attempting to cram every kind of knowledge into the minds of every youngster who is presented for teaching at our elementary schools. We are doing more, we are preventing him from developing in a direction which would be more useful to himself, and therefore, the nation, and as Mr. Dixon has said before me, it is only necessary to travel on the Continent of Europe to observe the marked difference in cleanliness and bearing between the men, and indeed the women, of some of our Continental competitors, and some of our people at home. We should certainly give every boy and every girl an opportunity, and we should teach them the old fashioned three R's very thoroughly, in order that the means to knowledge may be there if the desire for it develops at a later age. Furthermore, the mental education that we give to the great bulk of the boys and girls of to-day must be given rather with a view to the employment of their leisure than to the development of their own particular employment, which is best, and in fact only learned in the workshop. It requires an observer of very small capacity to know that it is not always the man of education who "gets on," as it is

called, in life. It is not always the man who has done well in technical education who is made a foreman or a manager; such positions require gifts customarily born in people, and so long as the world lasts it will undoubtedly be true that the unexpected will happen in the matter of the great men of the earth. Probably the monk will still invent gunpowder, the illiterate colliery engineman and clock-mender will still construct the first practicable locomotive; the son of the Scotch herdsman will still become the greatest manufacturer of steel in a foreign continent, and the requirements of the moment will no doubt always lead to the discovery of your Alexanders, Cromwells, and Napoleons, and the next man, whoever he may be, so that what we want to do with regard to the great bulk of the people, who must "eat their daily bread in the sweat of their brow," is to teach them to be content (cheerful) in the manufacture of their decimal fraction of a locomotive, looking forward to the end of the day when they will be able to put into practice that branch of recreative study or occupation which it has been the business of the State to inculcate in him from the earliest age,

feeling sure that in adding to his knowledge he is adding to the common lot, and enabling him to take an independent and intelligent interest, in the problems that rule his life, and the lives of others. Teach him something of the arts. Teach him that his street of 2,000 houses is not beautiful. Encourage him to study architecture, the Sciences; teach him how to read history that he may know and understand the different forces that have contended to produce the condition of to-day; teach him biography, that he may obtain ideals from studying the characters that have impressed and moulded the minds of our ancestors. But let your teaching be suited to the tastes and capacity of the pupil. Don't try to teach him **EVERYTHING**, but make sure of teaching him **SOMETHING** thoroughly.

In addition to exhibiting to him the career of the great ones of the earth, set before him examples of the humbler ones, either by name or class, so that he may not be discouraged by the prospect of taking only a modest, but honourable position in his own community. Teach him that his honour is his most sacred heritage; and how to do his duty to his neighbour, to be kindly in speech,

careful and considerate of others, whether above him or below.

Conclusions

I have endeavoured to set out in the foregoing pages some of the considerations which are necessary to arrive at the true bearings of this complex subject, and have endeavoured to show that the present condition of society has taken at least a thousand years to develop, and that therefore it may not be easily upset.

I have endeavoured to show how vast aggregations of working people have become concentrated in certain districts through the introduction of steam and the development of modern financial methods, such as the growth of the banking system, the introduction of payments by cheque, and the place credit has taken in relation to finance and commerce ; I have endeavoured to show that there is no necessity for human beings from a natural point of view to possess any luxuries whatever, and that if a man says he is entitled to live it is clear he is entitled only to live in the condition that nature originally entitled him to. That without the

introduction and development over a long period of the industrial and capitalistic systems, no other condition could be his lot.

I have endeavoured to give a reason for the antagonism that exists between the employer and the employed classes, and it will be observed that I attribute it to misunderstanding and misconception. It now only remains for me to suggest what I think may be done to improve this relationship, and to improve the condition generally of a large number of the people of this country.

Before doing so, may I be allowed to observe that in my judgment, it is the duty of the State to attend primarily to the safety of the country: secondly to the due provision of work for the population which it permits to accumulate within the borders of that State.

First of all then we must try and get rid of the notion that capitalism and labour are essentially antagonistic. Secondly, that our educational system should be overhauled and remodelled with the intention of producing healthy subjects able and willing to work, and with a consciousness that there is nothing derogatory or unmanly in working for weekly

wages. We must seek to encourage all concerned, landlords, capitalists, and the workmen themselves, that better housing should be supplied. I am happy to know that 1,500 Ebbw Vale workmen are now their own landlords.

That our railways, tramways, roads, and other means of communication shall be improved and extended in order to reduce the too great aggregations of population in certain places which are the cause of so much misery, disease, and discontent. Incidentally I should like to remark that if land were made as easy to transfer as are Consols, and there is no reason why it should not be so, it would the sooner get into the hands of the people most capable of using it.

Further, we must, instead of sapping the independence of our people by proposing to take from those who have and give it to those who have not, to be taken, as likely as not, in turn, from them. We must encourage them with a feeling that, by the exercise of temperance and of thrift, they can themselves secure that twentieth part of the proceeds of commerce which I have shown is the capitalist share.

How it may be done

In public discussion with a Socialist some years ago I advanced a statement which caused considerable surprise at the time, to the effect that I had proof at first hand that a sufficient amount of money had been spent in intoxicating drink in the Urban District of Ebbw Vale in three years, to have enabled the spenders thereof to acquire a controlling interest in the Ebbw Vale Company. I believe this is equally true to-day. That it is true is born out by the national drink bill which many of my audience know amounted to £162,750,000 in 1911 (in 1917 £250,000,000).

Many members also of my audience will be conversant with the possibilities of saving a small sum per week over an extended period of years, but in case there are some who do not know this I venture to give a practical illustration.

Of the ten thousand men, working for weekly wages employed by the Ebbw Vale Company (not one of whom, by the way, is a shareholder in the Company) nearly one thousand are at the present time capable of

earning from £150 to £550 per annum. It is no doubt possible for most of them to contemplate a saving of 5s. or 10s. per week. Now 5s. and 10s. per week will at 5 per cent compound interest, over periods varying from 10 to 40 years, produce from £163 10s. 3d. to £3,140 15s. 9d. :—

5s. a week, £13 per annum, at 5 per cent. compound interest, as under.

The amount of an annual payment of £1 accumulated at compound interest.

For 10 yrs. £12.5778, multiplied by 13, gives £163 10s. 3d.
 „ 20 „ £33.0659, „ „ „ £429 17s. 2d.
 „ 30 „ £66.5388, „ „ „ £863 14s. od.
 „ 40 „ £120.7997, „ „ „ £1570 7s. 1od.

10s. per week, £26 per annum, at 5 per cent. compound interest, as under.

The amount of an annual payment of £1 accumulated at compound interest.

For 10 yrs. £12.5778, multiplied by 26, gives £327 os. 5d.
 „ 20 „ £33.0659, „ „ „ £859 14s. 2d.
 „ 30 „ £66.4388, „ „ „ £1727 8s. od.
 „ 40 „ £120.7997, „ „ „ £3140 15s. 1od.

If, therefore, we assume that a young man begins to save at age 30, he can retire at age 60 or 65, and procure for himself and his wife a joint annuity which would give him

almost as much as his wage, and enable him to live as comfortably as he has done during the whole of his working career.

As I have already pointed out, large numbers of the working classes have already done what I set forth here, and are the better for it, and it is because I think that the course I suggest is likely to be of more lasting benefit to the community at large than the tendency so prevalent at the present day, that I have ventured to address you upon so difficult and important a subject.



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